

By: Schwertner

S.J.R. No. 57

A JOINT RESOLUTION

1 proposing a constitutional amendment relating to the maximum amount
2 of the annual distribution made from the permanent university fund
3 to the available university fund.

4 BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF TEXAS:

5 SECTION 1. Section 18(e), Article VII, Texas Constitution,
6 is amended to read as follows:

7 (e) The available university fund consists of the
8 distributions made to it from the total return on all investment
9 assets of the permanent university fund, including the net income
10 attributable to the surface of permanent university fund land. The
11 amount of any distributions to the available university fund shall
12 be determined by the board of regents of The University of Texas
13 System in a manner intended to provide the available university
14 fund with a stable and predictable stream of annual distributions
15 and to maintain over time the purchasing power of permanent
16 university fund investments and annual distributions to the
17 available university fund. The amount distributed to the available
18 university fund in a fiscal year must be not less than the amount
19 needed to pay the principal and interest due and owing in that
20 fiscal year on bonds and notes issued under this section. If the
21 purchasing power of permanent university fund investments for any
22 rolling 10-year period is not preserved, the board may not increase
23 annual distributions to the available university fund until the
24 purchasing power of the permanent university fund investments is

1 restored, except as necessary to pay the principal and interest due
2 and owing on bonds and notes issued under this section. An annual
3 distribution made by the board to the available university fund
4 during any fiscal year may not exceed an amount equal to six [~~seven~~]
5 percent of the average net fair market value of permanent
6 university fund investment assets as determined by the board,
7 except as necessary to pay any principal and interest due and owing
8 on bonds issued under this section. The expenses of managing
9 permanent university fund land and investments shall be paid by the
10 permanent university fund.

11 SECTION 2. This proposed constitutional amendment shall be
12 submitted to the voters at an election to be held November 7, 2017.
13 The ballot shall be printed to permit voting for or against the
14 proposition: "The constitutional amendment relating to the maximum
15 amount of the annual distribution made from the permanent
16 university fund to the available university fund."